

How does Health Reform impact me? What do I need to do?

I do not have health coverage!

- ☐ **Healthy Way LA (HWLA)** is a no-cost health program available NOW. Visit www.ladhs.org/hwla or 1-877-333-4952.
- ☐ **Medi-Cal** is currently a program for low-income children and parents, pregnant women, seniors and disabled people. In 2014 this program will be expanded and more people will be eligible! Visit www.dpss.lacounty.gov/dpss/health or call 1-877-597-4777.
- ☐ **L.A. Care's Healthy Kids Program** offers low-cost health insurance for children up to age 5 who do not qualify for other programs because of citizenship, residency or their family income is too high. Visit www.lacare.org or call 1-888-452-5437 (1-888-4LA-KIDS).
- ☐ **Family PACT provides** free family planning and birth control to low income women and men. Visit www.familypact.org or call 1-800-942-1054.
- ☐ **County and Community Health Clinics** are here to help. Most programs under health care reform are only for U.S. citizens and legal residents. For undocumented residents of Los Angeles, visit www.ladhs.org/wps/portal/clinicsearch to find a clinic near you!

I already have health coverage!

- ☐ **I have Medi-Cal!** You can keep your Medi-Cal. Medi-Cal "counts" as health care coverage under the law. Find out more at www.dpss.lacounty.gov/dpss/health or call 1-877-597-4777
- ☐ **I have Medicare!** You can keep your Medicare. The health reform law may lower the cost of your medicine. You will not have to pay for preventive care like cancer screenings, vaccines, flu shots, wellness visits, and more. Find out more at www.medicare.gov.
- ☐ **I have insurance through my job!** You can keep the insurance you have. The health law does not require employers to change your insurance. Find out more by contacting your health plan or employer.
- ☐ **I buy my own health insurance!** You can still buy insurance on your own. But starting in October you can shop for lower cost health insurance through "**Covered California**" (for coverage beginning January 1, 2014). Visit www.coveredca.com or call 1-888-975-1142.

What if I have Healthy Way LA?

- ☐ On January 2014 Healthy Way LA will become Medi-Cal! You will receive mail explaining the change. Find out more at www.ladhs.org/hwla or call 1-877-333-4952.

Health Care Reform: What do I need to know?



What is "Health Care Reform," the "Affordable Care Act," and "Obamacare"?

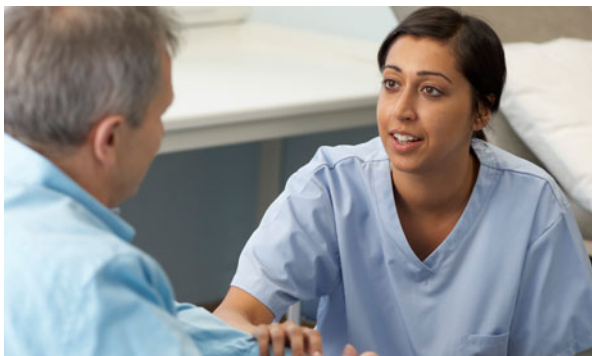
- These are the names for the health care law that began in 2010
- It is a federal law that changes how some people get health care in the United States
- Some changes have already happened, and more changes will begin in 2014



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Still Need Help?

Call Neighborhood Legal Services Health Consumer Center: 800-896-3202



What has already changed?

- ☐ Health insurance has to include check-ups and most preventive care for free
- ☐ Young adults can stay on their parents' health insurance until they are 26 years old
- ☐ Insurance companies cannot cancel people's health insurance if they get sick
- ☐ Insurance companies cannot deny children because they are sick now or have been sick in the past
- ☐ Insurance companies must spend 80% of people's money on health care or give them money back

What changes happen January 1, 2014?

- ☐ Insurance companies cannot put a limit on how much they will pay if someone gets sick
- ☐ Insurance companies cannot deny anyone care because they are sick or have been sick in the past
- ☐ Insurance companies cannot charge someone more money because they are sick
- ☐ Most people must have health insurance or they will need to pay a fine
- ☐ Former foster youth who were enrolled in Medi-Cal at age 18 will be eligible for Medi-Cal up to age 26
- ☐ NEW options for people to get FREE or LOW COST health insurance

New health insurance options under HEALTH CARE REFORM:









MEDI-CAL: California's Medicaid program—for people with low incomes.

- ☐ **NOW:** Medi-Cal is medical insurance for low-income children, parents, pregnant women, seniors, and people with disabilities.
- ☐ **January 1, 2014:** More people will be able to get Medi-Cal. The income limit will be higher, and adults without children will be able to apply! (See chart below.)
- ☐ **Is this for me?** Find out! Call Healthy Way LA (HWLA) to see if you can apply now. 1-877-333-4952 or www.ladhs.org/HWLA.

COVERED CALIFORNIA: An online marketplace where people can shop for health insurance and find out if they qualify for financial help to make insurance more affordable. Shop online or by phone. Help will be available in multiple languages.

- ☐ **October 2013:** Open enrollment will be from October 1, 2013 through March 31, 2014. Enroll by December 15th to have health care by January 1, 2014!
- ☐ **Is this for me?** Find out! Visit www.coveredca.com or call 1-888-975-1142.

IT IS FREE TO APPLY—DON'T PAY ANYONE TO HELP YOU!

If you are*...		In 2014, you may qualify for...
	An individual making less than \$15,856	Medi-Cal, a free government program.
	An individual making \$15,856 to \$28,724	Help paying out-of-pocket costs like deductibles and co-pays and a tax credit (subsidy) that will lower the amount of your monthly premium.**
	An individual making \$28,725 to \$45,960	A tax credit that will lower the amount of your monthly premium.**
	An individual making over \$45,960	You do not qualify for financial assistance, but you can still shop for affordable insurance through Covered California.
	A family of four making less than \$32,499	Medi-Cal, a free government program.
	A family of four making \$32,499 to \$58,874	Help paying out-of-pocket costs like deductibles and co-pays and a tax credit (subsidy) that will lower the amount of your monthly premium.**
	A family of four making \$58,875 to \$94,200	A tax credit that will lower the amount of your monthly premium.**
	A family of four making over \$94,200	You do not qualify for financial assistance, but you can still shop for affordable insurance through Covered California.

* Income levels are based on the year 2013 and vary by family size

** You must enroll through Covered California to be eligible for your tax credit

Not sure what you qualify for? Call Neighborhood Legal Services Health Consumer Center: 800-896-3202



ObamaCare: A Guide to the Affordable Care Act

Do you have health insurance?

YES!



If you already have health insurance and you are happy with it, **you can keep it!** ObamaCare does not require you to change your health insurance if you are happy with it. However, you may be eligible to receive premium subsidies in Covered California if you wish.

NO!



If you are one of the millions of Californians without insurance, **ObamaCare** will help you gain access to an affordable health plan that meets your needs. You may qualify for health insurance based on your immigration status, family size, and household income.

What health insurance options will you have in 2014?

The chart below shows what health insurance options you may be eligible for in 2014. Eligibility is based on your household size and federal poverty level (annual income).

Health Coverage Options based on Federal Poverty Levels

Household size	100%	133%	150%	200%	300%	400%
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	\$15,510	\$20,628	\$23,265	\$31,020	\$46,530	\$62,040
3	\$19,530	\$25,975	\$29,295	\$39,060	\$58,590	\$78,120
4	\$23,550	\$31,322	\$35,325	\$47,100	\$70,650	\$94,200
5	\$27,570	\$36,668	\$41,355	\$55,140	\$82,170	\$110,280
6	\$31,590	\$42,015	\$47,385	\$63,180	\$94,770	\$126,360

You could be eligible for **Medi-Cal**

You could be eligible for either **Medi-Cal** or **Covered California**

You could be eligible to receive federal *premium subsidies* in **Covered California**

Where can I sign up?

You can sign up online, by mail, or over-the-phone beginning October 1, 2013!

www.coveredca.com

Toll-free Customer Service Center: 1-(888)-975-1142

What are Medi-Cal & Covered California?

There are two new options under ObamaCare:

Medi-Cal

In 2014, Medi-Cal will expand to cover more people. Individuals and families earning less than 133% of the federal poverty level (FPL) will be eligible for Medi-Cal. Pregnant women up to 200% FPL and children in households up to 250% FPL will continue to be eligible for Medi-Cal.

Covered California

Covered California is the state's new health insurance marketplace. Individuals and small employers can buy health insurance through Covered California. People with incomes up to 400% FPL will be eligible for *premium subsidies* to help lower the cost of the monthly premiums. People with incomes up to 250% FPL will be for *cost-sharing subsidies* to help lower co-pays/deductibles. Covered California will allow you to easily compare health plans and enroll.

How will ObamaCare affect you in 2014?

A Healthier You

ObamaCare makes it easier to get health insurance. It is important to have health insurance so that you can:

1. **Improve your health** to help you receive regular primary care checkups and preventive care services from a doctor.
2. **Protect yourself and your family from unexpected illness or injury** that can result in high medical debt.
3. Have the **peace of mind and security** of knowing that you are covered in case of an accident or an emergency.

Choice & Affordability

ObamaCare helps provide more options for health coverage at a more affordable price. In California, it helps to expand the Medi-Cal program to more individuals and provides assistance to help people pay for coverage through Covered California. ObamaCare has helped make sure everyone receives the same set of benefits. These benefits include:

- Preventive & wellness services and chronic disease management
- Hospitalization
- Emergency services
- Ambulatory patient services
- Prescription drugs
- Maternity and newborn care
- Mental health & substance use disorder services
- Rehabilitative & habilitative services and devices
- Laboratory services
- Pediatric services, including oral and vision care

More Californians will have more options for health coverage, and with ObamaCare, it may be more affordable!



Individual Mandate

Starting on January 1, 2014, every U.S. citizen and legal resident must have health insurance. If you have health insurance, you fulfill the requirement. If you do not have health insurance, you can either enroll in Medi-Cal or shop for affordable coverage through Covered California. If you decide not to buy health coverage, you will have to pay a penalty.

An individual can be exempt from paying the penalty fee if he/she has a financial hardship or a religious exemption. A financial hardship is when the most affordable insurance option exceeds 8% of household income. There is also an exemption if the household income is below the tax-filing threshold. In this case, the family will most likely qualify for Medi-Cal.

If you are not exempt, the tax penalty is:

- \$95 or 1% of income in 2014
- \$395 or 2% of income in 2015
- \$695 or 2.5% of income in 2016 and thereafter.

Note: The person must pay the amount that is higher.

Insure The Uninsured Project

ObamaCare: A Guide to the Affordable Care Act (ACA)



Main Goals of ObamaCare:

1. Increase health care coverage
2. Reduce health care costs and improve affordability
3. Improve people's health



2013 Federal Poverty Levels

Household size	100%	133%	150%	200%	300%	400%
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	\$15,510	\$20,628	\$23,265	\$31,020	\$46,530	\$62,040
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6	\$31,590	\$42,015	\$47,385	\$63,180	\$94,770	\$126,360

Medi-Cal

Under the ACA in California, **all U.S. citizens and legal permanent residents will be eligible for Medi-Cal on January 1, 2014 if their income is up to 133% FPL.** These individuals are called “newly eligible” and will include parents, and adults without children. Pregnant women will have coverage up to 200% FPL, and children up to 250% FPL.

For families and individuals, other than the aged and disabled, eligibility will be determined based on a person's modified adjusted gross income (MAGI). This is the same method used for counting income when households file taxes. There will also be no asset test for these groups unless they would like long-term care services.

For seniors, people with disabilities, people needing long-term care, people eligible for both Medicare and Medicaid, and individuals in the Medically Needy program the enrollment process and rules will remain the same. Individuals without legal permanent residence may be eligible for limited scope benefits for emergency care and pregnancies.

Covered California

Covered California is our state's new health insurance exchange. It is a marketplace for people to shop for affordable health insurance coverage. The marketplace will offer online educational tools, price calculators and information about how to receive financial assistance to make coverage more affordable. Covered California will allow people to make apples-to-apples comparisons of health insurance plans. **Only citizens and legal permanent residents are able to buy coverage through Covered California. More information is available at www.coveredca.com.**

In Covered California, the federal government will help individuals pay for a portion of their health insurance by providing premium subsidies. These subsidies will be based on income so that households with lower incomes receive more assistance. These subsidies will help most middle and lower-income families to pay for health insurance if they do not qualify for Medi-Cal, and have incomes between 133% and 400%FPL. The federal government will also provide subsidies that reduce co-pays and any deductibles for households at or below 250% FPL. So, in addition to reduced premium costs, these individuals will have lower co-pays when they see a health care provider or have a prescription filled.

Consumers will be able to buy different tiers of health insurance. **Health plans will offer bronze, silver, gold, & platinum levels of coverage in Covered California.** Each metal level will have the same benefits but will cover a different amount of a person's expected medical cost for the year. **Benefits will include hospitalizations, doctor visits, prescription drugs, mental health services, and others. (Continued on the other side.)**



Covered California (cont'd.)

The metal tiers will cover the following costs:

- **Bronze** plans will cover 60% of a person's expected medical costs
- **Silver** plans will cover 70%
- **Gold** plans will cover 80%
- **Platinum** plans will cover 90%
- **Catastrophic plans** will be available for those under 30 or with a financial hardship exemption

The higher the metal level, the higher the plan's monthly premium will be. So, if a person spends more each month on premiums, he/she will spend less money in co-pays when they visit the doctor. If a person spends less money each month on premiums, he/she will spend more money in co-pays when they visit the doctor.

People can only buy health insurance during a specified time called **open enrollment**. Insurance will also be available if someone encounters a special circumstance, such as marriage, divorce, childbirth, loss or change of employment. **Open enrollment for Covered California plans will be from October 1, 2013 to March 31, 2014.** Coverage will begin on January 1, 2014.

Simplified Enrollment

CalHEERS, a new online system, will help to determine if someone is eligible for Medi-Cal or for buying health coverage through Covered California. This determination will be based on an individual's household size, age & income. Individuals can select their own plan and level of coverage. Individuals can also apply for both Medi-Cal and Covered California by mail, phone and in-person at county social service offices, clinics, doctor's offices, hospitals, broker's offices and others.

Other Health Options

Individuals who do not qualify for Medi-Cal or Covered California may be eligible for other health programs, emergency Medi-Cal or may receive care at community clinics. The programs below are available regardless of residency status.

Healthy Way LA: Healthy Way LA (HWLA) is a no-cost health care program for low-income adults. Some HWLA participants will become Medi-Cal or Covered California subscribers in 2014. To see if you are eligible, visit: www.ladhs.org/hwla or call: [1-877-333-4952](tel:1-877-333-4952).

Other LA County Programs: Most programs under health reform are only for U.S. citizens and legal residents who have lived in the U.S. for more than 5 years. For undocumented residents of Los Angeles County, access to medical care is offered at Department of Health Services and Community Clinics. Visit <http://www.californiahealthplus.com/> to find a clinic near you.

Access for Infants and Mothers (AIM) and Medi-Cal provide care for pregnant women through 60 days after delivery. Eligible individuals must have incomes less than 300% FPL and be uninsured.

Insurance Market Reforms:

With the ACA, insurance companies must follow new rules, including:

- Covering preventive services without co-pays
- Allowing children (dependents) under the age of 26 to stay on their parent's plan.

In 2014, other rules will take effect. Insurance companies will be required to sell insurance to *everyone* during open enrollment, and they must also renew that coverage. Individuals will no longer be denied coverage based on pre-existing conditions (e.g. diabetes, asthma). Also, plans can only vary the cost of insurance based on geography, family size, and age.

Individual Mandate:

The ACA requires that everyone have health insurance in 2014. If an individual does not have health insurance and is not exempt from the individual mandate, then he/she will have to pay a penalty fee as described below:

- \$95 or 1% of income in 2014
- \$395 or 2% of income in 2015
- \$695 or 2.5% of income in 2016 and thereafter

**Note: The individual must pay the amount that is higher.*

An individual can be exempt from paying the penalty fee due to financial hardship* or a religious exemption.

**A financial hardship is when the most affordable insurance option exceeds 8% of household income. Or, the household income is below the tax-filing threshold.*

ObamaCare 101

Tool Kit

Change is coming. The ACA is critical in improving our health care system, and its successful implementation will require all hands on deck, including yours.

This toolkit will help you understand the health reform law so we can build a healthier California.

The Basics of Health Reform

The federal health care legislation is known by several names including the Affordable Care Act (ACA), the Patient Protection and Affordable Care Act (PPACA), and ObamaCare.

For this tool kit we will refer to it as the Affordable Care Act (ACA), which has 3 main goals:

1. Increase health care coverage
2. Reduce health care costs and improve affordability
3. Improve people's health



Insure the Uninsured Project is funded by:

California Community Foundation
Blue Shield of California Foundation
The California Endowment
Kaiser Foundation Hospitals
L.A. Care Health Plan
The California Wellness Foundation
California HealthCare Foundation

Outline

Goals of the ACA	pg 1-2
Coverage Expansions	pg 3
Medi-Cal Expansion	pg 4
Eligibility & Enrollment Simplification	pg 5
Health Insurance Exchanges	pg 6
Premium Assistance	pg 7
Covered California & Medi-Cal	pg 8
Covered California Cheatsheet	pg 9
Insurance Market Reforms	pg 10
Employers & SHOP Exchange	pg 11
Other Coverage Options	pg 12
Frequently Asked Questions	pg 13
Eligibility Flowchart	pg 14

Goal 1: Increase Coverage

It's no secret that many do not have health insurance because they cannot afford it, their employers do not offer it, or they do not qualify for public programs. Nor is it a secret that expanding health care coverage will make it possible for more people to see their health care providers regularly.

The ACA takes several measures to ensure that more Americans can see their health providers as frequently (or infrequently) as they would like. According to experts at the non-partisan Congressional Budget Office, the ACA is estimated to cover an additional 33 million Americans.



Goal 2: Reduce Costs

If other prices grew as quickly as health care costs did since 1945, a dozen eggs would cost \$55, a gallon of milk would cost \$48, and a dozen oranges would cost a staggering \$134.

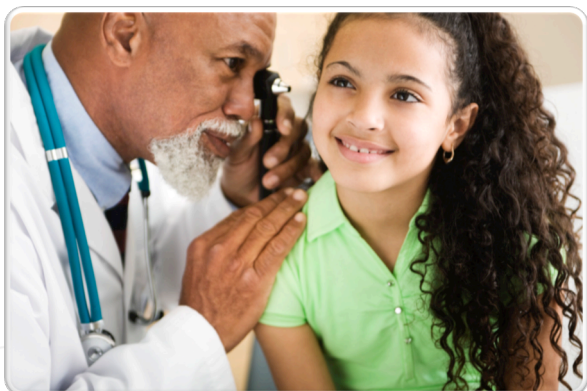
In other words, a single egg would cost more than a fancy caffeinated beverage at your neighborhood coffee chain.

The ACA aims to turn this trend around. By making health insurance an affordable reality for millions more, the ACA will help patients gain more regular access to their health providers, saving money in the healthcare system over time.

Prevention may not be the best medicine, but it's still a pretty darn good one. By preventing illnesses and identifying them earlier, not only do patients benefit medically and financially, but the overall healthcare system saves money, too.

Better Quality Care

The ACA shifts the way that health plans and providers are paid to emphasize the quality of care, not the number of procedures done or medications prescribed.



Goal 3: Improve Health

The first two goals serve as building blocks for the main one of improving our collective health. Given the complexities of our health care system, better quality at lower costs may sound too good to be true. The ACA, however, aims to make it a reality.



Coverage Expansions



The ACA includes Medicaid expansion and health insurance exchanges to help tackle the problem from a public and private approach.

Medicaid, a government insurance program for low-income individuals/families, will be expanded to include a wider range of populations. California's Medicaid program, known as Medi-Cal, currently provides coverage to over 20% of the state's non-elderly population.

Unfortunately, not all low-income Californians qualify for Medi-Cal coverage. Because of limited resources, eligibility was restricted to a narrow group within the low-income population. The program serves those most in need, including children, parents of dependent children, seniors and persons with disabilities.

In 2014, however, coverage will expand to include adults without minor children living at home, with incomes up to 133% of the federal poverty level. UCLA and UC Berkeley's CalSIM projection model finds that almost 1.5 million will become newly eligible. An additional 2.5 million are already eligible but not enrolled.

Household Size	100% FPL	133% FPL	200% FPL	300% FPL	400% FPL
1	\$11,490	\$15,282	\$22,980	\$34,470	\$45,960
2	\$15,510	\$20,628	\$31,020	\$46,530	\$62,040
3	\$19,530	\$25,975	\$39,060	\$58,590	\$78,120
4	\$23,550	\$31,322	\$47,100	\$70,650	\$94,200
5	\$27,570	\$36,668	\$55,140	\$82,710	\$110,280
6	\$31,590	\$42,015	\$63,180	\$94,770	\$126,360

In 2014, Californians will be able to apply for coverage online, by mail, by phone, or in person.

Health insurance exchanges, often referred to as just plain exchanges, are virtual insurance marketplaces for people to learn about, compare, and eventually purchase health insurance. Imagine if your favorite flight search engine and tax preparation software had a child.

States have the option of operating one themselves, or rely on the federal government's exchange instead. Being the overachievers that we are, California has opted for the former, which is called Covered California.



A wide range of health plans with varying monthly premium costs will be available for purchase. Whether you plan on visiting your doctor frequently or not, Covered California has selected an array of competitive, high-quality plans that will suit your needs. Starting January 2014, Covered California will be open for business, with pre-enrollment starting October 2013.

Many low to middle income individuals/families will also be eligible for financial help from the federal government. Don't worry, there's lots more on that later.



Medi-Cal Expansion

While Medi-Cal does indeed provide health coverage to low-income Californians, it's a little more complicated than that. Not only must people have sufficiently low income and be citizens or legal permanent residents of the US, there are some additional limitations on who's eligible for the program.

Who's currently eligible?

- Children with household incomes up to 250% of FPL
- Parents with dependent children (100% of FPL)
- Pregnant women (200% of FPL)
- Low income seniors (133% of FPL)
- People with disabilities (133% of FPL)

Who will be newly eligible?

Through the ACA, states can choose to expand their Medicaid programs to cover **adults without dependent children living at home**. Residency and income rules still apply, but the latter requirement will be increased to 133% of FPL (about \$15,000/year for an individual) plus a 5% income disregard. For the majority of those eligible, the asset test is gone.

This population will receive the same benefits package as current Medi-Cal enrollees:

- Clinic services
- Inpatient and outpatient hospital services
- Physician services
- Mental health care
- Substance use disorder treatment
- Physician prescribed drugs
- Durable medical equipment

Adults will receive limited dental services, while kids receive dental and vision benefits.

To help pay for this expansion, the federal government has generously offered to pitch in. A lot. In the first few years, the federal government will pay 100% of the costs to care for the newly eligible, eventually winding down to a still-very-generous 90% of costs by 2020.

What about the undocumented?

Emergency Medi-Cal – which is just what it sounds like – emergency services with no follow up coverage. The undocumented cannot receive full-scope (comprehensive) benefits through Medi-Cal.

Undocumented pregnant women may be eligible for **full scope** services.

The undocumented may be eligible for other programs – please refer to the “Other Coverage Options” section on pages 11-12.

What is considered low income?

The ACA was constructed with 133% of FPL being the income threshold between expanded Medicaid and health exchange plans. This figure (\$15,252 for an individual, \$31,322 for a family of four) is often considered the upper limit for “low income.”

Why are 133% and 138% used interchangeably?

The ACA simplified the Medicaid income test by creating a blanket 5% income disregard, which means that 5% of income isn't counted. In other words, a 133% FPL threshold is effectively 138% of FPL, thanks to this simplified income disregard. Note that it only pertains to the Medicaid program, and not health exchanges.



Eligibility & Enrollment Simplification

It would be an understatement to say that the Medi-Cal program is a little complicated. The requirements, tests and income disregards are highly variable for different eligibility categories, of which there are over 150. The ACA, mercifully, will simplify several of these.

MAGI? I've heard of it, but couldn't really tell you what it means.

MAGI, or modified adjusted gross income, is the income counting standard that will be used to determine eligibility for most populations in 2014. Compared to the income counting standards being used now, MAGI is a significant simplification that's actually used by the IRS to calculate income for tax purposes.



Who are the MAGI-eligible?

These groups will be able to enroll in Medi-Cal in a more simplified fashion without an asset test*:

- Children (up to 250% of FPL)
- Parents of dependent children (up to 133% of FPL)
- Pregnant women (up to 200% of FPL)
- Adults without dependent children living at home (up to 133% of FPL)

All other groups will still be subject to current Medi-Cal rules, including the asset test, when they apply for or renew coverage.

Those who would like to receive long term care will still have to pass the asset test.

*If modified adjusted gross income (MAGI) sounds vaguely familiar to you, it might be because it's **line 38 on Form 1040**, the form used for most tax returns.*

Do-It-Yourself Asset Tests

Initially established to ensure that Californians are fully destitute before relying on public programs, the asset test has become a cumbersome roadblock to many potential beneficiaries.

Fortunately, the asset test will be removed for most newly MAGI-eligible. Only those applying for long-term care benefits will have to pass the asset test.

The asset test includes:

- Cash and uncashed checks, checking/savings accounts
- Stocks, bonds, mutual funds
- Real property (excludes value of family home)
- Motor vehicles (excludes value of one car)
- Promissory notes, mortgages or deeds of trust
- Motor vehicles or equipment used for a business
- Revocable trusts
- Court judgments/settlements
- Oil or mineral rights
- Jewelry and precious metals, coins and gems (other than wedding/engagement rings and heirlooms)
- Burial trusts or funds (excludes first \$1,500 paid)
- Life insurance policies (exempt if face value under \$1,500)



Health Insurance Exchanges

Remember the good old days when we had to arrange flights through a travel agent? No? Maybe?

One day, purchasing health insurance will become as simple as booking a flight today. The ACA helps us move towards that goal with health insurance exchanges.

What exactly is an exchange?

It's a virtual health insurance marketplace with educational tools, price calculators and additional comparative information that will help people make informed decisions about the insurance products they purchase. Our state's is called Covered California (coveredca.com), and has two separate markets: one for individuals and families, and another for small businesses.

What kind of insurance plans can you buy?

Most insurance companies will be selling levels of coverage through Covered California. While they will all cover the same essential health benefits, the variation is in cost. Because the product remains the same, comparing Covered California plans will be less like comparing apples to tomatoes and more like apples to other apples.

Different levels of coverage are available so consumers can choose the plan that will best suit their needs. A bronze-level plan will cover 60% of a person's expected medical costs, while a platinum plan will cover 90% of expected medical costs. In other words, bronze plans will have lower monthly premium costs but higher copays per visit; platinum plans will have higher monthly premium costs but lower copays.

The chart below summarizes the projected costs for a 40 year old individual residing in Los Angeles. The average premium costs do *not* take into consideration any federal subsidies the individual may receive.

	Bronze	Silver	Gold	Platinum
Average monthly premium	\$235	\$277	\$328	\$371
Preventive care copay*	\$0	\$0	\$0	\$0
Primary care visit copay	\$60 for 3 visits	\$45	\$30	\$20
Specialty care visit copay	\$70	\$65	\$50	\$40
Urgent care visit copay	\$120	\$90	\$60	\$40
Emergency room copay	\$300	\$250	\$250	\$150
Lab testing copay	30%	\$45	\$30	\$25
X-ray copay	30%	\$65	\$50	\$40
Generic medicine copay	\$25 or less	\$25 or less	\$20 or less	\$5 or less

10 Essential Health Benefits

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services; chronic disease management
- Pediatric services, including oral and vision care

Metal Levels of Coverage

- **Bronze plans:** 60% actuarial value (i.e. plan will pay for 60% of the person's expected medical costs, with 40% coming out of the consumer's pocket)
- **Silver plans:** 70% actuarial value (AV)
- **Gold plans:** 80% AV
- **Platinum plans:** 90% AV



Premium Assistance



Affordability is relative and can mean very different things depending on one's circumstance. To that end, the federal government will provide subsidies to help moderate and middle income Americans purchase health insurance through the exchanges. The ACA sets monthly maximums that people will pay for health care based on their incomes.

A person earning 100% of FPL will only have to pay 2% of his/her income on health insurance premiums, while those earning 400% of FPL will have to pay up to 9.5% of his/her income; anyone earning more than 400% of FPL will not be eligible for premium assistance. The table below summarizes the maximum monthly amounts that people will pay for health care premiums.

Federal Poverty Level (%)	Maximum % spent on insurance premiums	Individual		Family of Four	
		Annual Income	Maximum \$ spent on monthly premiums	Annual Income	Maximum \$ spent on monthly premiums
100%	2%	\$11,490	\$19	\$23,550	\$39
133%	3%	\$15,282	\$38	\$31,322	\$78
150%	4%	\$17,235	\$57	\$35,325	\$118
200%	6.30%	\$22,980	\$121	\$47,100	\$247
250%	8.05%	\$28,725	\$193	\$58,875	\$395
300%	9.50%	\$34,470	\$273	\$70,650	\$559
400%	9.50%	\$45,960	\$364	\$94,200	\$746

Reconciliation Time

At the end of the calendar year, the federal government will determine if premium assistance recipients got the proper amount.

This means that some consumers will receive refunds for overpaying, but may also have to pay back a portion if they received too much.

It's critical for consumers to update their income information if there are significant changes throughout the year.

For example, John Doe has an annual income of \$17,235 (150% of FPL) and would like to purchase a silver tier plan, which hypothetically costs \$250 per month. His maximum monthly premium contribution is capped at 4% of his income, meaning he would pay a monthly maximum of \$57. The federal government will pay the difference of \$193.

Premium assistance amounts are determined by the *second lowest-cost silver plan*. Consumers eligible for premium assistance can purchase plans from any metal tier, but will be responsible for the cost difference for more expensive plans (higher-cost silver plans, or any gold or platinum plans). Conversely, those who purchase a less costly silver or bronze plan will pay less.

Additional Cost-Sharing Subsidies Available

In addition to premium assistance, cost-sharing subsidies are available to lower income Covered California consumers. These subsidies will reduce the amount you pay when you seek care (copayments or coinsurance). If your income is less than \$28,000 for an individual or \$58,000 for a household of 4 (under 250% of FPL), you may be eligible.



Covered California and Medi-Cal

Even with premium assistance, many low-income individuals and families will have difficulty affording health insurance plans. Additional plans are available to certain groups of people.

Bridge Plans

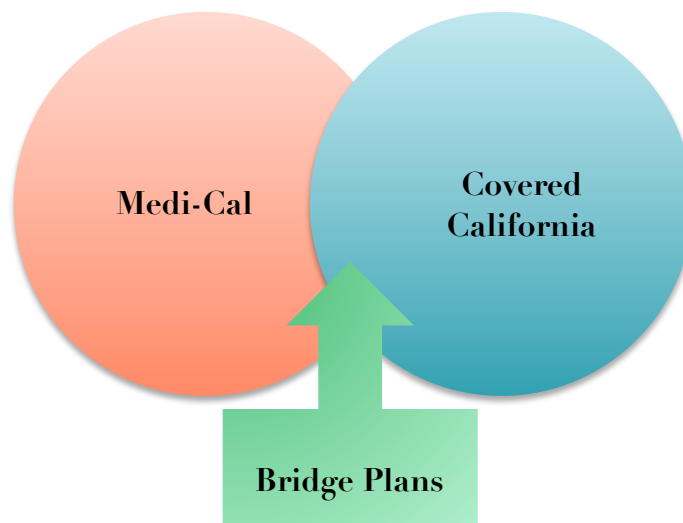
The bridge plan is what it sounds like – bridging the gap between Medi-Cal and Covered California plans, and helping consumers transition between programs. It is a hybrid product that will be operated by Medi-Cal managed care plans, but sold through Covered California with premium assistance available from the federal government. Cost-wise, bridge plans will have much lower premiums than other Covered California plans.

Bridge plans are only available to 2 groups:

- **Medi-Cal beneficiaries whose incomes rise above 133% FPL and are under 250% FPL:** Purchasing a bridge plan would allow this population to stay with the same plan and doctor network, while keeping costs low.
- **Parents of children with Medi-Cal coverage, including other household members, whose incomes are between 133-250% of FPL:** Since the Medi-Cal program has a higher income threshold for children (up to 250% of FPL), a bridge plan allows parents and their children to be on the same plan.

It's similar to Medi-Cal because:

- *It has the same plan and provider networks as Medi-Cal managed care plans*
- *Monthly premium costs are closer to no-cost Medi-Cal than other Covered California plans*



And it's similar to Covered California plans because:

- *Purchased through Covered California*
- *Can receive premium assistance from federal government if eligible*

Minimum Coverage Plans

Also known as catastrophic plans, minimum coverage plans (MCP) are not designed for day-to-day medical expenses like doctor visits, prescription medication or even emergency room visits. Instead, they're meant to cover excessive medical bills above the limit that you'd be able to manage financially.

How are these plans different from other Covered California plans?

- *NOT comprehensive coverage*
- *NO premium assistance available*
- *NOT everyone is eligible (must be under 30, or provide certification that you're without affordable coverage or are experiencing financial hardship)*

New legal permanent residents of under 5 years with incomes between 100-133% of FPL are encouraged to purchase Covered California plans since they will receive **additional premium assistance from the state**. Combined with the federal premium assistance, plan premiums are expected to be *very low*.



Covered California Cheatsheet

Who?

Only US citizens and legal permanent residents can buy plans through Covered California. Those with incomes between 100-400% of FPL may be eligible for federal subsidies. The undocumented cannot purchase any plans through the exchange, even if they do not receive federal subsidies.

What?

Research, compare and purchase the best health insurance product for you and/or your family. Learn more about and apply for federal subsidies to make health insurance more affordable.

When?

Insurance plans can only be purchased during pre-enrollment starting October 1, 2013, and during open enrollment (January 1 – March 31) annually. There are special exceptions, which would allow people to purchase insurance coverage outside of this period, such as job loss, or a change in family size (marriage, divorce, death).

Where?

- Online at coveredca.com
- Via phone through toll-free service centers in 13 different languages
- In person through a certified enrollment counselor
- By mail
- All methods of application are FREE



Insurance Market Reforms

The ACA has additional provisions for insurers to help make health care more affordable, reliable and accessible.

Pre-Existing Condition Exclusions? Not anymore!

Pre-existing conditions, no matter how trivial or life-threatening, will no longer play a part in calculating premium costs, and cannot be used as an excuse to deny coverage. Insurers cannot cancel coverage once a consumer is enrolled, and they cannot set lifetime or annual dollar limits on coverage.

The only factors that can lead to higher or lower health premiums are geographic location, family size, and age.

Premium Watch: Medical Loss Ratios

Insurers will be mandated to spend at least 85% of premiums on medical care for large group plans, and at least 80% of premiums for small group plans. In insurance terms, there will be an 85% medical loss ratio (MLR) for large group plans and an 80% MLR for small group plans. Under these rules, if insurers “overcollect” premiums, the remainder must be reimbursed back to consumers.

States will also establish a review process for unreasonable premium increases, and insurers will need to provide justification for large price increases.

The Individual Mandate

As one of the more well-known parts of the ACA, the individual mandate has been on the receiving end of much criticism. This provision would require most Americans to have health insurance, with a few exceptions.

What fulfills the mandate?

- Individual insurance, or coverage through an employer, union, the Veteran's Administration, Indian Health Service, Medi-Cal, Medicare or Covered California

Who are exempt?

- People who would have to pay more than 8% of their income on health insurance – likely eligible for Covered CA plans with premium assistance
- People with incomes below tax filing threshold (\$9,750 for an individual, \$27,100 for household of 4 in 2012) – very likely eligible for no-cost Medi-Cal
- People who qualify for religious exemptions
- Undocumented immigrants
- Members of Native American tribes

What are the penalties?

- For each individual, penalties are the larger of:
 - \$95 or 1% of income in 2014
 - \$395 or 2% of income in 2015
 - \$695 or 2.5% of income in 2016 and after

Why is the mandate important?

Whether we like it or not, insurance acts as a passport, an affordable entry into the often expensive healthcare system. As anyone who has gone without health insurance will know, it is exceptionally costly to seek care as an uninsured patient.

But with insurance, we're better equipped to not only receive care when we need it, but to get annual checkups and preventive screenings to make sure we don't get sick in the first place.

Health insurance makes us healthier, and going without it is a very risky gamble.



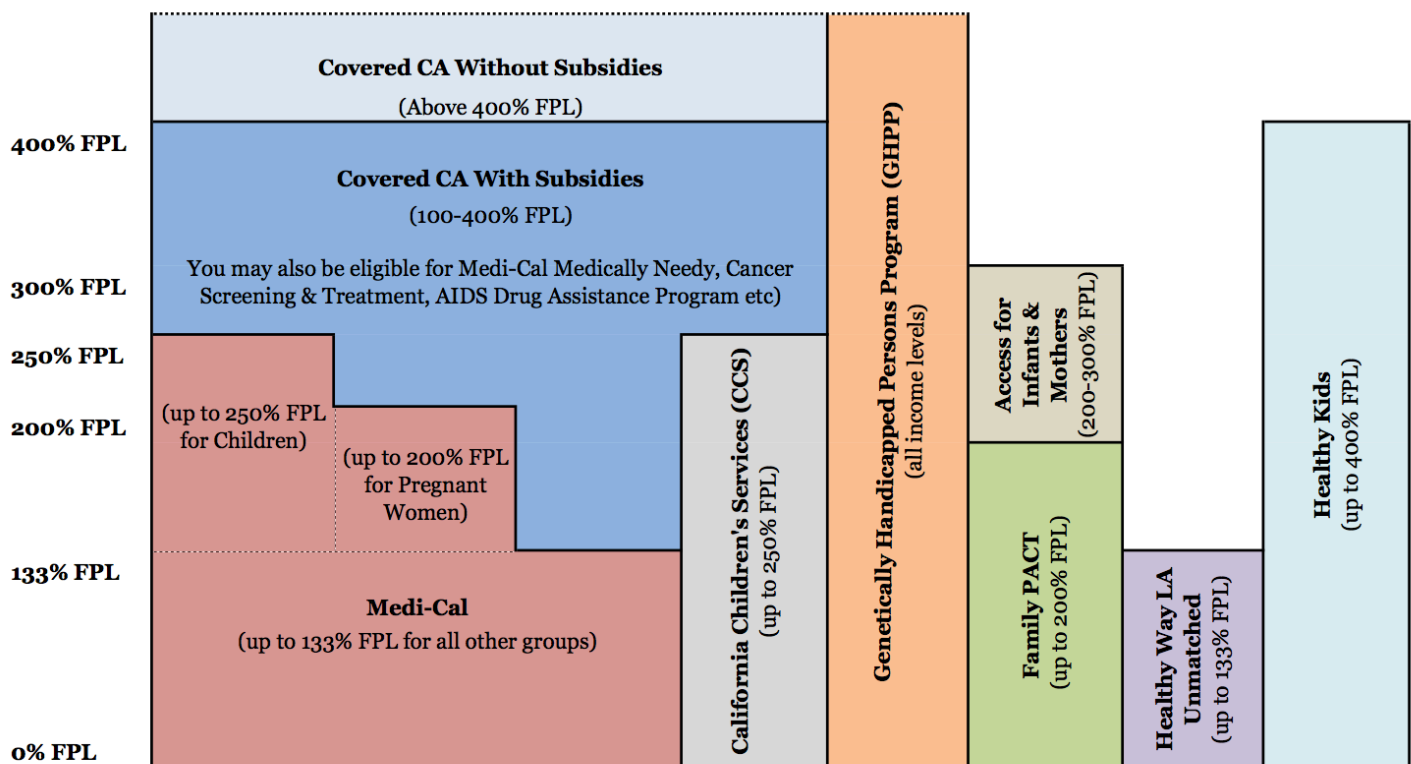
Employers & SHOP Exchange

The ACA also establishes both new opportunities for small employers and new requirements for large employers. Covered California will operate the *Small Business Health Options Program (SHOP)*, which is similar to the individual exchange, except that employers and employees will share in the decision making process. Employers will choose the level of coverage (bronze, silver, gold, platinum), with the employee choosing the health plan among those available in the SHOP. The SHOP is open for employers with 50 or fewer employees, and will expand in 2017 to include firms with up to 100 employees.

To help small employers afford health insurance for their employees, federal tax credits are available to firms with fewer than 25 employees with an average annual wage under \$50,000. The employer must also pay at least 50% of the premium cost. These tax credits can cover up to 35% of the premium costs through the end of 2013, rising to 50% of premium costs in 2014.

Large employers will be required to contribute to their employees' health insurance costs starting in 2015. *There is no requirement for small businesses (under 50 fulltime equivalent employees) to provide health insurance.*

Other Coverage Options: At A Glance



Other Coverage Options

Even with the ACA, there will be a number of people who will remain uninsured. This group will include people exempt from the individual mandate, people who would rather pay the penalty instead of buying health insurance, and those who are undocumented and ineligible for either Medi-Cal or Covered California.

In Los Angeles County, **Healthy Way LA (HWLA) Unmatched** is a county program that provides primary care services at free clinics and community health centers to those who are undocumented. To qualify, individuals must be ineligible for Medi-Cal or other county programs, and have incomes under 133% FPL (www.ladhs.org/hwla; 1-877-333-4952).

The **Healthy Kids program** is also available in Los Angeles County for children 0-5 years in households with incomes at or below 400% FPL; children older than 5 are eligible for Healthy Way LA. Children must not be covered by Medi-Cal or any other publicly sponsored health program to be eligible (1-888-452-2273).

There are statewide programs that provide limited services to specific populations. **Access for Infants and Mothers (AIM)** provides comprehensive medical care for pregnant women (less than 31 weeks) through 60 days after delivery. Eligible individuals must have incomes between 200% and 300% FPL, be uninsured or ineligible for Medi-Cal, California residents for at least 6 months, and have legal immigration status. If insured, the maternity deductibles or copayments for their coverage must be greater than \$500 (www.aim.ca.gov; 1-800-433-2611)

Family Planning, Access, Care and Treatment (Family PACT) is a state program that provides family planning services for uninsured men and women with incomes below 200% FPL who are ineligible for Medi-Cal. Services include comprehensive education, assistance, and services related to family planning. If an individual has health insurance, his or her plan must not cover family planning or birth control methods, or the patient cannot afford the deductible (www.familypact.org; 1-916-324-0389)

California Children's Services (CCS) is a state health care program for children (under 21) with specific diseases or health problems. The program only covers services related to care for the qualifying conditions. In addition, the child's family must also earn less than \$40,000, the child's family must have out-of-pocket medical expenses expected to be more than 20% of family income, or the child must be enrolled in Medi-Cal (www.lapublichealth.org/cms/CCS.htm; 1-800-288-4584).

The **Genetically Handicapped Persons Program (GHPP)** also provides coverage for services related to specific conditions, such as hemophilia or cystic fibrosis, and is available for people 21 years or older. There is no income limit for the program (1-800-639-0597).

Every Woman Counts (EWC) and the **Prostate Cancer Treatment Program (PCTP)** provide cancer screening and treatment services for breast/cervical and prostate cancer, respectively. To be eligible for free EWC services, such as breast exams, mammograms, pelvic exams and Pap tests, women must be over the age of 40, have incomes under 200% of FPL, and have no or limited insurance (1-800-511-2300). Similarly for PCTP, men must be over the age of 18, have incomes under 200% of FPL, and have no or limited insurance (1-800-409-8252).

The **AIDS Drug Assistance Program (ADAP)** provides access to costly medications for the un- and under-insured living with HIV and AIDS. Eligible individuals must be over the age of 18, have incomes less than \$50,000, be ineligible for Medi-Cal, and have no or limited insurance (1-888-311-7632).

The remaining uninsured can seek free or low-cost care through **Los Angeles County's clinics and hospitals. Free and community clinics** throughout LA County also provide care to the remaining uninsured at little or no cost (www.californiahealthplus.com).



Frequently Asked Questions

If I already have insurance coverage that I like, do I have to change anything?

No. If you like it, you can keep it. However, keep in mind that other more affordable options may be available to you, particularly if you're eligible for premium assistance.

Does it cost anything to apply?

No. Applying for Medi-Cal or Covered CA plans is free. Assistance from certified enrollment counselors, as well as telephone assistance through service centers, is free of cost.

Do I have to be uninsured to buy Covered California plans?

No, it's also an option for many who are currently insured through individual coverage, and can be an option for those with unaffordable employer coverage as well.

Can members of my household be eligible for different coverage programs?

Yes. For example, because Medi-Cal eligibility is different for children and adults, a Medi-Cal enrolled child may be on a different plan than his/her parent. The bridge plan is an option for such households if they want to be covered under the same plan.

Also, members of mixed immigration status families will be eligible for different programs. While undocumented immigrants are ineligible for full-scope Medi-Cal or Covered CA plans, they are eligible for emergency-only Medi-Cal, as well as other county health programs (see pg 12).

If I'm unhappy with my employer coverage, can I shop for a Covered CA plan? What about for my family?

Maybe, but probably not. If you have employer coverage, and your **premiums are more than 9.5%** of your income, you can opt out of your employer's plan and purchase a Covered CA plan, possibly with premium subsidies.

For family coverage, if your employer extends coverage for your spouse and/or children, then the same rules apply. If the cost of coverage for **you, the employee only**, is less than 9.5% of your income, then it is considered affordable, and you can't opt out of your employer's plan. However, if your employer **doesn't offer family coverage**, then you can purchase a Covered CA plan, possibly with premium assistance for the uninsured members of your family.

If I have an adult child under the age of 26, can he/she be covered by my health insurance plan? What if he/she is married?

Yes, under the young dependent coverage provision, your child can remain on your plan until he/she turns 26, even if they're married. His/her spouse, however, **cannot** be covered by your plan.

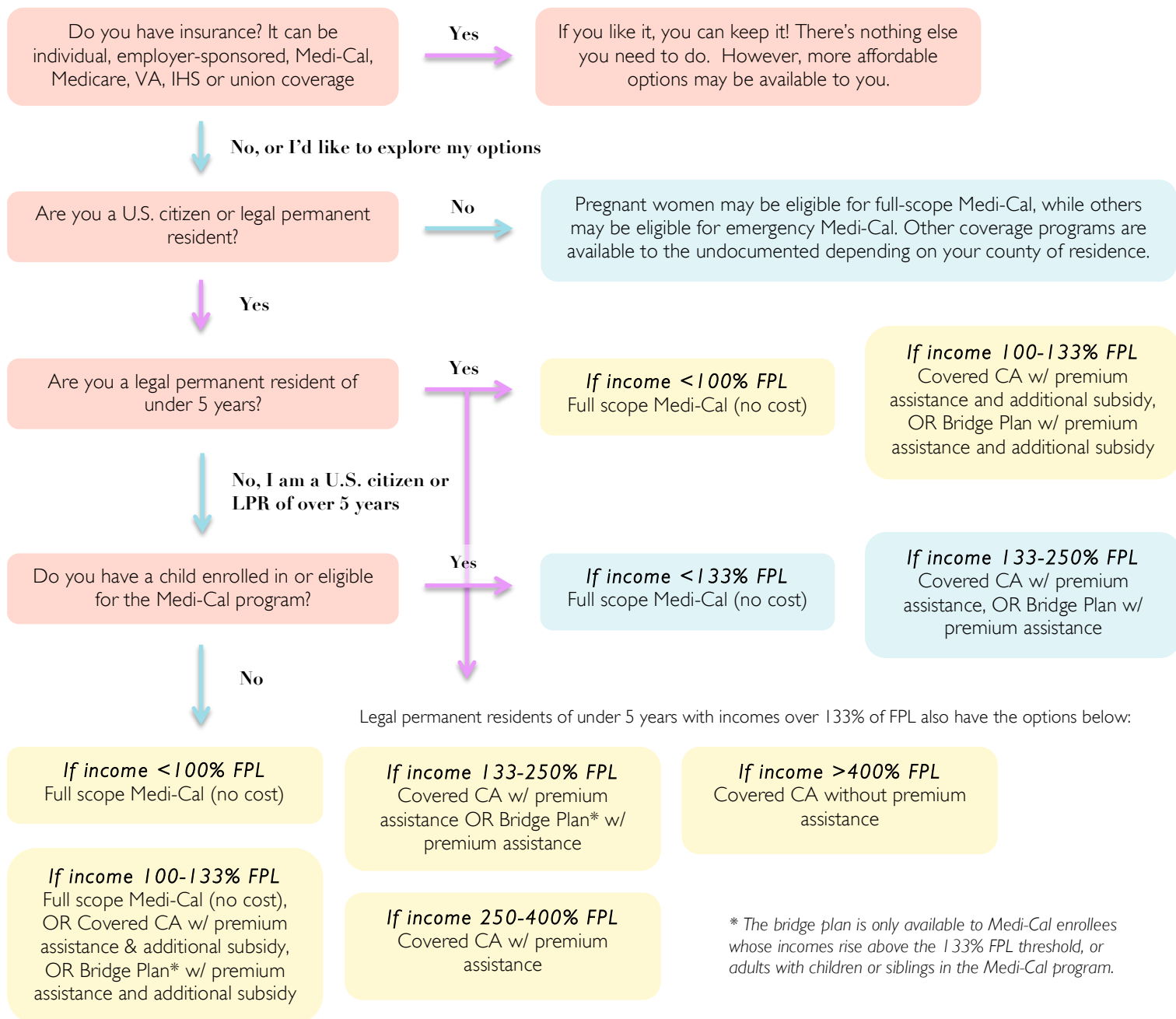
When do I need to enroll to receive coverage as soon as possible?

To have Covered CA coverage start on January 1, 2014, you must enroll in a plan by December 15, 2013. If you enroll between December 15-31, 2013, your coverage will start on February 1, 2014. Unlike Medi-Cal coverage, **Covered CA plans are not retroactive**. Not even bridge plan coverage.

For Medi-Cal, your coverage may begin immediately if you were eligible under the "old" Medi-Cal rules. If you're eligible under the "new" rules, you can enroll any time before January 2014 and your coverage will start on January 1, 2014.



Eligibility Flowchart



Household Size	100% FPL	133% FPL	200% FPL	250% FPL	300% FPL	400% FPL
1	\$11,490	\$15,282	\$22,980	\$28,725	\$34,470	\$45,960
2	\$15,510	\$20,628	\$31,020	\$38,775	\$46,530	\$62,040
3	\$19,530	\$25,975	\$39,060	\$48,825	\$58,590	\$78,120
4	\$23,550	\$31,322	\$47,100	\$58,875	\$70,650	\$94,200
5	\$27,570	\$36,668	\$55,140	\$68,925	\$82,710	\$110,280
6	\$31,590	\$42,015	\$63,180	\$78,975	\$94,770	\$126,360

* The bridge plan is only available to Medi-Cal enrollees whose incomes rise above the 133% FPL threshold, or adults with children or siblings in the Medi-Cal program.

